

J.P.Morgan

William A. Austin
Executive Director

September 29, 2011

Francis X. Doyle
Joseph C. Campagna
Bayerische Landesbank, New York Branch
560 Lexington Avenue
New York, NY 10022

Re: \$120,000,000 Jefferson County, Alabama General Obligation Warrants, Series 2001-B (the "2001-B GO Warrants")

Dear Sirs:

This will acknowledge receipt by JPMorgan Chase Bank, N.A. ("JPMorgan") of your letter dated September 27, 2011 in respect of the 2001-B GO Warrants.

We are somewhat confused as to why you felt it necessary to send the letter.

There is no confusion, however, concerning the bullet point related to a potential concession by JPMorgan in respect of the 2001-B GO Warrants and a related swap transaction as contained in the Proposed Terms and Conditions for Settlement and Refinancing of Jefferson County's Outstanding Sewer Warrants, dated September 14, 2011 (the "Term Sheet"). That Term Sheet is very clear that the potential concessions described therein are limited only to JPMorgan (and not BLB) in its capacity as a holder of 2001-B GO Warrants. No one said or implied that BLB is waiving anything.

As you know, Events of Default in respect of the 2001-B GO Warrants first occurred more than three (3) years ago, and are continuing. Given this passage of time, and particularly in light of recent progress being made in respect of a potential solution to the County's outstanding sewer warrants and related obligations, all involved parties should continue to move forward in good faith to try to achieve a restructuring of the County's obligations in respect of the 2001-B GO Warrants. JPMorgan believes, and we assume, that BLB agrees that the potential concessions by JPMorgan as described in the Term Sheet can only serve to further that restructuring effort by reducing the County's obligations. In addition, we recall that the concept of reinstating the original amortization schedule was discussed with BLB and was then formally proposed by the County in January, 2010. While no parties have agreed to that or any other proposal, JPMorgan simply wanted to make clear in the Term Sheet that, subject to the terms and conditions set forth therein, JPMorgan is prepared to agree to that concept as part of a consensual restructuring.

We look forward to continuing to work cooperatively with BLB and the County in respect of the 2001-B GO Warrants, and we are available to discuss potential solutions at your convenience.

Sincerely,

JPMORGAN CHASE BANK, N.A.

By: William A Austin
Title:

cc: The Bank of New York Mellon, as Trustee
Jefferson County, Director of Finance